

# TORONTO STOCK EXCHANGE

FILING STATEMENT No. 498.  
ACCEPTED FOR FILING, OCTOBER 27th. 1960.

## NATIONAL PETROLEUM CORPORATION LIMITED

Full corporate name of Company  
Incorporated under the laws of the Province of Alberta  
on December 1st, 1936.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953  
(Ontario) by Letters Patent dated May 1st, 1957).

### FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

NOV 1 1960

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Proposed sale of certain unissued treasury shares, and granting of option on additional unissued shares to the subscriber. See Items 6, 7 and 8 hereof.
2. Head office address and any other office address.	209 - Eighth Avenue West, Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President & Managing Director: S. MYRON ZANDMER, Calgary Alberta, Reg. Prof. Engineer. Vice-President & Director: L.L.G. BENTLEY, Vancouver, B.C. Executive. Director: M.E. MERMELSTEIN, New York City, Legal Counsel Director: GUS D. WELCH, Kansas City, Mo. Stock Broker Director: WEBSTER CORLETT, Chicago, Ill. Executive Vice-President: H.M. ZANDMER, Calgary, Alberta, Executive Secretary-Treasurer: W. G. NICHOLS, Calgary, Alberta, Chartered Accountant. Assistant Secretary: JAY J. MILLER, New York City, Lawyer
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 5,000,000 shares Issued and Outstanding - 4,348,872 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Not applicable
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By agreement made as of August 17th, 1960, and amended by supplementary agreement, S.J. Brooks & Company members of the Toronto Stock Exchange have agreed to purchase 50,000 presently unissued shares of the Company's capital stock at a purchase price of \$2.00 (Canadian) per share, payable in full forthwith upon acceptance of this Filing Statement by the said Toronto Stock Exchange, and upon acceptance of the transaction by the American Stock Exchange. In consideration of such firm purchase, the Company has granted S.J. Brooks & Company an irrevocable option to purchase a maximum of an additional 150,000 presently unissued shares at the price of \$2.00 (Canadian) per share; exercisable as to 50,000 shares within 60 days from the date of payment for the firm purchase; provided that the first option shall be met, exercisable as to an additional 50,000 shares within 90 days from the firm purchase, and provided that all prior options have been duly exercised, exercisable as to an additional 50,000 shares within 120 days from the firm purchase.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	S.J. Brooks & Company is acting as agent for and on behalf of Raymond & Bekhor, 27 Old Broad Street, London E.C.1, England, members of the London Stock Exchange. The said London brokers are acting for and on behalf of their client The Honourable Thomas Hazlerigg, 22 Farm Street, London W.1, as to the entire interest in the aforesaid agreement. The Company has been informed by the purchaser that all shares which may be purchased under the agreement will be purchased for investment. Certificates for all shares purchased will be deposited with, and held in escrow by a chartered bank, until a registration statement is filed under the Securities Act of 1933 of the United States, or an exemption is granted.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	The Company has agreed to pay S.J. Brooks & Company the usual Toronto Stock Exchange commission applicable to all shares which shall be taken down and purchased by the aforesaid underwriting and option agreement. Such commission is at the rate of \$4.50 per 100 shares.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	For general corporate purposes as well as sales campaign in connection with permeator completions and stock piling of permeators, permeator prepared casing and supplies.



# FINANCIAL STATEMENTS

BALANCE SHEET  
as at June 30, 1960  
(Canadian Funds)

## ASSETS

Current Assets:	
Cash	
Marketable Securities - at cost	
(Market Quotation \$432,328.12)	
Accounts Receivable - Trade	
- Other	
Inventories - Note 1	
Prepaid Expenses	
Total Current Assets	
Advances - Secured by Production	
Joint Ventures	
Other Companies	
Cash Surrender Value - Life Insurance Policies	
Investment in Subsidiary Companies - Note 2	
Shares	
Advances	
Investments - at cost	
Northland Oils Limited - Shares	
Shares in other Companies	
Royalty Investments	
Less: Reserve for Depletion	
Deferred Development - at cost - Note 3	
Producing & Uncompleted Wells	
Less: Reserve for Development	
Farm-Out Agreements	
Fixed Assets - at cost	
Property, Plant and Equipment - Note 4	
Less: Reserves for Depreciation and	
Depletion - Note 5	
Other Assets	
Sundry Deposits	
Patent Rights	

## LIABILITIES & SHAREHOLDERS' EQUITY

Current Liabilities:		
Due to Bank - Current Account Overdraft	\$ 761.57	72,821.91
Accounts Payable - Trade	344,771.26	14,210.23
Accrued Liabilities	92,865.85	2,751.45
Total Current Liabilities	309,136.81	89,783.59
	15,077.08	
	762,612.57	
Shareholders' Equity		
Share Capital		
Authorized	161,713.09	
5,000,000 shares - Par Value 25¢ each	26,350.00	1,250,000.00
Issued as fully paid & non-assessable		
1,232,200 shares for properties and		
services - Note 6	447,326.26	
3,116,672 shares for cash		1,087,218.00
4,348,872 shares @ 25¢ each	367,059.55	
651,128 shares unissued		
5,000,000		
Contributed Surplus		
Premium on conversion and sale of shares		1,902,601.56
Operating Deficit	601,924.71	(302,091.98)
		2,687,727.58
	324,658.19	
	28,753.26	
	\$ 2,777,511.17	\$ 2,777,511.17

Director "S.M. Zandmer"

Director "M.E. Mermelstein"



NATIONAL PETROLEUM CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS  
as at June 30, 1960

NOTE 1:	Inventories comprise:	
	Crude Oil on Hand	\$ 8,610.97
	Oil Field Supplies	<u>300,525.84</u>
		<u>\$309,136.81</u>

Inventories of crude oil are valued at the currently quoted field price; oil field supplies at cost, both on a basis consistent with the policy followed in prior years.

NOTE 2: Investment in subsidiary companies are made up as follows:

	<u>Shares</u>	<u>Advances</u>
National Oil Field Service Ltd. -		
wholly owned - cost	\$ 100.00	\$ 155,680.42
Channel Oils Ltd. - 50% Equity - cost	<u>500.00</u>	<u>291,045.84</u>
	\$ 600.00	<u>\$ 446,726.26</u>

Profit or losses of the subsidiaries have not been taken up in the accounts of National Petroleum Corporation Limited.

NOTE 3: Deferred Development Costs:

This expenditure represents the Company's share of the cost of drilling thirteen wells in the Spring Coulee-Del Bonita area. Wells in the process of completion as at June 30, 1960 were National Northland Blood # 2, National Milk River 11-25, and National Milk River 14-25-1-22, their total cost to date to the Company being \$ 200,361.08.

Farm-Out Agreements:

The Company's equity in eight wells, the costs of which were paid by the farmee under the terms of the agreements, has been recorded on the books at a nominal value of \$1.00 per well for record purposes. The total development expenditures on these wells as at June 30, 1960 amounted to \$ 836,366.99 the Company's interest therein being \$ 377,458.14.

Reserves for Development and Leasehold Costs:

The Company's program for amortization of development and leasehold costs is in accordance with generally accepted accounting principles and is being consistently applied. In the case of producing wells, the development and leasehold costs are charged to operations at a rate based on annual production and determined in accordance with the following formula:

<u>Yearly production</u>	of unrecovered development
Net balance of oil reserves	and leasehold costs.

The cost of unproductive development, leasehold and reservation costs are written off in the year of abandonment. The provision for depletion and write-off of development costs has been based on the geological report dated September 11th, 1953, being the most recent information available, respecting the Company's landholdings.

NOTE 4: The following is a summary of property, plant and equipment:

	<u>Cost</u>	<u>Reserves</u>
Leases and land reservations		
Turner Valley producing wells	\$ 152,535.50	\$ 142,295.58
Spring Coulee-Del Bonita area	<u>137,834.48</u>	<u>4,013.34</u>
	290,369.98	<u>146,308.92</u>
Plant and Equipment		
Well equipment, including the		
Company's share in jointly owned		
wells	440,977.08	296,698.79
Drilling equipment	560,572.88	530,169.01
Automotive Equipment	35,558.25	30,895.72
Office Furniture & Equipment	<u>7,871.32</u>	<u>6,618.88</u>
	<u>1,044,979.53</u>	<u>864,382.40</u>
Totals as shown on balance sheet	<u>1,335,349.51</u>	<u>1,010,691.32</u>

NOTE 5: The Company provides for depreciation of general plant and equipment on the diminishing balance basis, using the maximum rates allowable for income tax purposes as follows:

Buildings - frame and stucco	10%
Well, drilling and automotive	
equipment	30%
Office furniture	20%

NOTE 6: Shares issued for properties and services were as follows:

	<u>No. of Shares</u>	<u>Carried at</u>
For properties		
Turner Valley area	700,000	\$ 175,000.00
Spring Coulee Area	512,200	128,050.00
For services	<u>20,000</u>	<u>5,000.00</u>
	<u>1,232,200</u>	<u>\$ 308,050.00</u>

The value of certain properties in the Turner Valley area (\$27,100.00) and the value of services rendered (\$5,000.00) have been written off in prior years and charged to surplus (deficit) account.

NOTE 7: The Company's income tax returns have been assessed for all years up to and including the fiscal year ended November 30, 1959. The Company has no income tax liability as at this date.



## NATIONAL PETROLEUM CORPORATION LIMITED

STATEMENT OF INCOME (LOSS) AND EARNED SURPLUS (DEFICIT)  
 For the seven month period ended June 30, 1960  
 (Canadian Funds)

## Income:

Sale of Crude Oil and Gas (Less Royalties)	\$ 20,057.67
Net Proceeds from Jointly-Owned Wells	2,723.04
Well Servicing, Supervision and Equipment Rentals	45,377.65
	<u>68,158.36</u>

## Operating Expenses:

Well Operating Expenses	11,700.82
Well Servicing, Supervision and Equipment Rentals	29,098.84
General and Administrative Expenses	52,950.36
Provision for Depreciation - (Note 5)	18,465.30
Taxes (other than Taxes on Income)	479.20
Rents (including Surface Rights, etc.)	15,513.54
	<u>128,208.06</u>

Operating Loss	<u>60,049.70</u>
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## Other Income

Interest Earned	199.32
Royalty Income (Less Depletion)	6,100.52
Gain on Equipment Disposals	523.72
	<u>6,823.56</u>

Net Loss before Undernoted Charges	53,226.14
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Development and Lease Costs - (Note 3)	2,038.41
Share Issue and Transfer Costs	5,750.84
	<u>7,789.25</u>

Net Loss for the Period	61,015.39
Deficit at Beginning of Period	241,076.59
Deficit at June 30, 1960	<u>\$ 302,091.98</u>

## SCHEDULE 1

NATIONAL PETROLEUM CORPORATION LIMITED  
 SCHEDULE OF MARKETABLE SECURITIES  
 as at June 30, 1960  
 (Canadian Funds)

Name of Issuer and Title of Issue	No. of Shares	Valuation on Balance Sheet	Valuation at current market value
Trans Mountain Oil Pipe Line Co.Ltd. Common Shares	50,125	\$ 344,771.26	\$ 432,328.12



NATIONAL PETROLEUM CORPORATION LIMITED  
INVESTMENTS IN SECURITIES OF AFFILIATES  
For the seven month period ended June 30, 1960  
(Canadian Funds)

Name of Issuer and Title of Issue	Balance at Nov. 30/59		Additions		Disposals		Balance at June 30/60		Valuation at Current Market Value
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	
Northland Oils Limited Common Stock	1,550,570	\$ 342,563.89	-	-	-	-	1,550,570	\$ 342,563.89	\$ 178,315.55

SCHEDULE 111

NATIONAL PETROLEUM CORPORATION LIMITED

SCHEDULE OF PLANT, PROPERTY AND EQUIPMENT  
For the seven month period ended June 30, 1960  
(Canadian Funds)

Classification	Balance at Nov. 30/59	Additions at Cost	Retirements or Sales	Balance at June 30, 1960
Well Equipment	\$ 235,640.15	-	\$ 900.00	\$ 234,740.15
Drilling Equipment	560,495.31	77.57	-	560,572.88
Automotive Equipment	35,558.25	-	-	35,558.25
Office Furniture	7,871.32	-	-	7,871.32
Well Equipment - Joint				
Venture Wells	206,236.93	-	-	206,236.93
Leases and Land Reservations	290,119.98	250.00	-	290,369.98
	<u>\$ 1,335,921.94</u>	<u>\$ 327.57</u>	<u>\$ 900.00</u>	<u>\$ 1,335,349.51</u>

SCHEDULE 1V

NATIONAL PETROLEUM CORPORATION LIMITED

RESERVES FOR DEPRECIATION, DEPLETION AND AMORTIZATION  
OF DEVELOPMENT COSTS  
For the seven month period ended June 30, 1960  
(Canadian Funds)

Description	Balance at Nov. 30/59	Charged to Profit & Loss	Renewals or Retirements	Balance at June 30, 1960
Well Equipment	\$ 154,965.21	\$ 9,781.52	\$ 900.00	\$ 163,846.73
Drilling Equipment	523,736.19	6,432.82	-	530,169.01
Automotive Equipment	29,906.70	989.02	-	30,895.72
Office Furniture	6,453.46	165.42	-	6,618.88
Well Equipment - Joint				
Venture Wells	131,755.54	1,096.52	-	132,852.06
Lease and Land Reservations	145,237.81	1,071.11	-	146,308.92
	<u>\$ 992,054.91</u>	<u>\$ 19,536.41</u>	<u>\$ 900.00</u>	<u>\$ 1,010,691.32</u>
Royalty Depletion	\$ 31,753.85	\$ 2,033.51	\$ -	\$ 33,787.36
Development Costs	\$ 18,356.07	\$ 967.30	\$ -	\$ 19,323.37

CERTIFICATE of Secretary-Treasurer with  
respect to Financial Statements as of  
June 30, 1960.

The attached Financial Statements of National Petroleum Corporation Limited consisting of:

Balance Sheet as at June 30, 1960  
Statement of Income (Loss) Earned Surplus (Deficit)  
for the seven months ended June 30, 1960

together with the Schedules and Notes relative thereto, have been prepared from the Company's books and, in my opinion, present fairly the position of the Company as at June 30, 1960 and the results of operations for the seven months then ended, and are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

*W. G. Miles*

Secretary-Treasurer  
NATIONAL PETROLEUM CORPORATION LIMITED

Calgary, Alberta  
August 25, 1960.

NATIONAL PETROLEUM CORPORATION LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
For the seven month period ended June 30, 1960

Funds Provided

By Decrease in Working Capital	\$	99,137.78
Less: Reduction in Current Production Receivable		
Contra-Deferred Royalty Income - Nov.30/59		
Statements		<u>18,708.91</u>
Net Decrease in Working Capital	\$	<u><u>80,428.87</u></u>

Funds Applied

To Operating Loss	\$	61,015.39
Deduct: Charges not requiring funds:		
Depreciation		18,465.30
Depletion - Lease		2,038.41
Depletion - Royalty Investments		<u>2,053.51</u>
		<u>22,537.22</u>
		38,478.17
To Patent Costs		304.04
Advances to Subsidiaries		35,076.22
Acquisition of Plant, Property & Equipment		327.57
Insurance Policies		2,400.00
Advances to other Companies		<u>3,842.87</u>
Total Funds Applied	\$	<u><u>80,428.87</u></u>

*S. M. Zandmer*  
"S.M. Zandmer" Director

*M. E. Mermelstein*  
"M.E. Mermelstein" Director



# NATIONAL PETROLEUM CORPORATION LIMITED

209 EIGHTH AVE. S.W.  
CALGARY, ALBERTA

Toronto Stock Exchange  
234 Bay Street  
Toronto 1, Ontario

October 28, 1960.

## Re: National Petroleum Corporation Limited Filing Statement

We are advised by Mr. Grant of Manley & Grant, Toronto, Ontario who acts on behalf of S. J. Brooks & Company the underwriter and optionee, in the proposed transaction for which the above Filing Statement was submitted, that your Mr. Anthony requires a statement from this Company with respect to its financial affairs since June 30, 1960.

In this connection, we hereby certify that there have been no material changes in the affairs of this Company other than in the normal course of its business since the Balance Sheet date of June 30, 1960.

We trust the foregoing information is in accordance with your requirements.

Yours very truly,

NATIONAL PETROLEUM CORPORATION LIMITED

*Herbert M. Zandmer*  
"H.M. Zandmer" Vice-President

*W.G. Nichols*  
"W.G. Nichols" Secretary-Treasurer

WGN/wc :  
cc: John Grant  
Milton Mermelstein

## NATIONAL OIL FIELD SERVICE LTD.

### BALANCE SHEET

as at July 31, 1960  
( U. S. Funds )

### A S S E T S

#### Current Assets

Cash in Banks	\$ 1,223.28
Accounts Receivable - Trade	15,387.84
Inventory - at cost - FIFO Basis	60,560.46
	<u>\$ 77,171.58</u>

#### Fixed Assets

Equipment (in warehouse)	\$ 5,844.24
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#### Other Assets

Deposit	\$ 100.00
Patent Costs	826.75
Incorporation Costs	451.67
	<u>1,378.42</u>
	<u>\$ 84,394.24</u>

### LIABILITIES and STOCKHOLDERS EQUITY

#### Current Liabilities

Account Payable	\$ 3,214.08
Due to Stockholder - National Petroleum Corporation Limited	161,508.75

#### Share Capital and Deficit

Share Capital	
Authorized - 20,000 shares having a par value of \$10.00 each	200,000.00
Issued as fully paid - 10 shares	101.09

#### Deficit

Balance as at July 31, 1959	\$ 58,700.48
Net Loss for the year	21,729.20
Balance as at July 31, 1960	<u>80,429.68</u>
	<u>(80,328.59)</u>
	<u>\$ 84,394.24</u>



STATEMENT of PROFIT or LOSS

For the Year Ended July 31, 1960  
(U. S. Funds)

Income

Well Completion Contract Income \$ 29,487.37

Operating Expenses

Materials	\$ 13,522.22
Field Expenses	12,410.54
Advertising	309.86
Engineering	12,702.57
Professional Fees	25.00
Printing & Stationery	144.27
Sales Promotion	358.25
Taxes	206.01
Telephone & Telegrams	2,775.27
Travelling	7,804.36
Rentals	800.00
Royalties	140.00
Sundry	<u>18.22</u>
	\$ <u>51,216.57</u>

Net Loss for the year \$ 21,729.20

LARKHAM COLLINS  
NORMAN HAMES  
JOHN COLLINS

**COLLINS & HAMES**  
CHARTERED ACCOUNTANTS  
CALGARY, ALTA.

The Shareholders,  
Channel Oils Ltd.,  
Calgary, Alberta.

We have examined the balance sheet of Channel Oils Ltd. as at April 30, 1960, and the statement of income and expense for the year then ended and have received all the information and explanations which we required.

Our examination was restricted to a general review of operating transactions and the verification of assets and liabilities other than inventory, which was determined by the management, and accounts receivable, which were not confirmed with the debtors concerned. As a result we are unable to express an opinion as to the representations in the attached statements.

Calgary, Alberta.  
June 24, 1960.

*Collins & Hames*  
Chartered Accountants



ASSETS

## Current assets:

Cash in banks		\$ 4,974.74
Accounts receivable		62.52
Tangible equipment in warehouse		46,765.73
Prepaid expenses		888.37
Total current assets		52,691.36

## Deferred assets:

Production account receivable		90,465.14
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## Fixed assets:

	Cost	Accumulated Depreciation	Cost Less Depreciation
General lease equipment	\$10,067.21	\$ 4,043.42	\$ 6,023.79
Drilling equipment and tools	22,255.26	8,644.85	13,610.41
Automotive equipment	8,570.27	5,364.69	3,205.58
Furniture & fixtures	2,141.72	857.51	1,284.21
	\$43,034.46	\$18,910.47	24,123.99

## Other assets:

Organization expenses		513.36
		<u>\$167,793.85</u>

LIABILITIES AND CAPITAL

## Current liabilities:

Nil

## Deferred liabilities:

Due to shareholders		
National Petroleum Corporation Limited		295,786.32
Northland Oils Limited		<u>306,839.12</u>
		\$602,625.44

## Capital:

Share capital		
Authorized - 20,000 shares of no par value		
Issued and outstanding - 202 shares		203.64
Operating deficit		
Balance - May 1, 1959	\$426,635.42	
Add: Net loss for the year -		
Statement 11	<u>8,399.81</u>	
Balance - April 30, 1960		<u>(435,035.23)</u>
		(434,831.59)
		<u>\$167,793.85</u>

(This is the balance sheet referred to in the accompanying Auditor's report of Collins & Hames, Chartered Accountants dated June 24, 1960)

## Income:

Production payment		\$ 4,924.56
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## Expenses (excluding depreciation)

Operating costs	\$ 3,354.50
Taxes and licenses	919.57
Insurance	1,163.88
Rentals	84.36
Automobile expenses	103.02
Office rent	470.00
Sundry	207.58
Professional fees	304.95
Telephone and telegraph	980.88
Office supplies	<u>5.23</u>
Total expenses (excluding depreciation)	<u>7,593.97</u>
	2,669.41

## Depreciation:

General lease equipment	1,014.22
Drilling equipment and tools	2,419.20
Automotive equipment	2,082.74
Furniture and fixtures	<u>214.24</u>
	<u>5,730.40</u>

## Net loss for the year

\$ 8,399.81



10. Brief statement of company's chief development work during past year.	Continued installation and successful testing of our permeator completion method of oil and gas wells. Conducted educational publicity campaign with many oil operators, also sold and installed permeators for five oil companies (12 wells) with successful results.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	No pooling or escrow agreements.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	S. Myron Zandmer, 111 Glen Ave. Banff, Alta. 673,040 shares (beneficial owner) General Hydrocarbons Ltd., 159 Bay St. Toronto. 150,000 shares (beneficial owner) McIntyre Oils (Alberta) Ltd., 436 Lougheed Bldg., Calgary, 125,000 shares (beneficial owner) Newborg & Co., 25 Broad St. New York, N.Y. 99,933 shares (not beneficial owner, same unknown) Consolidated Timber Co. Ltd., 999 W. Pender St. Vancouver, B.C. 83,299 shares (beneficial owner)
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present management is in such position, subject to acquisition of proxies from the largest registered shareholders above shown, and dependent upon representation at any meeting of shareholders.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	50,125 shares, Trans-Mountain Oil Pipelines Ltd. Cost: \$344,771.26 Market Value: \$426,062.00 1,550,570 shares, Northland Oils Ltd. Cost: \$342,563.89 Market Value: \$170,562.70
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. Statement of any other material facts and if none, so state.	None

# CERTIFICATE OF THE COMPANY

DATED October 14th, 1960

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

## NATIONAL PETROLEUM CORPORATION LIMITED

"S.M. Zandmer"

"M.E. Mermelstein"

CORPORATE  
SEAL

## CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

## S. J. BROOKS & COMPANY

"E.E. Lewis"

"S.J. Brooks"



# TORONTO STOCK EXCHANGE

FILING STATEMENT No. 755.  
FILED, MAY 31st. 1962.

## NATIONAL PETROLEUM CORPORATION LIMITED

Full corporate name of Company  
Incorporated under the laws of the Province of Alberta  
on December 1st, 1936

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953  
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous  
Filing Statement No. 498.

### FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" to this Filing Statement on page 2.
2. Head office address and any other office address.	209 - Eighth Avenue West, Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>President &amp; Managing Director: S. Myron ZANDMER, Calgary Alberta, Reg. Prof. Engineer.</p> <p>Vice-President &amp; Director: L.L.G. BENTLEY, Vancouver, B.C.</p> <p>Vice-President &amp; Executive Director: M. E. MERMELSTEIN, New York City, Legal Counsel</p> <p>Director: Gus D. WELCH, Kansas City, Mo. Stock Broker</p> <p>Director: WEBSTER CORLETT, Chicago, Ill. Executive</p> <p>Vice-President: H.M. ZANDMER, Calgary, Alberta, Executive</p> <p>Secretary-Treasurer: W. G. NICHOLS, Calgary, Alberta Chartered Accountant.</p> <p>Assistant Secretary: JAY J. MILLER, New York City, Lawyer</p>
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized - 5,000,000 shares</p> <p>Issued and outstanding - 4,498,872 shares</p>
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Not applicable
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Not applicable
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	See Schedule "A" on page 2.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Company proposes to now concentrate it's efforts in the development of it's potential oil properties.



SCHEDULE "A" TO FILING STATEMENT OF NATIONAL  
PETROLEUM CORPORATION LIMITED DATED MAY 22, 1962

The Material changes in respect of which this Statement is filed are as follows:

1. The transferring by this Company of its exclusive license to patents covering a tool for use in the completion of oil and gas wells known under the trademark Permeator to Permeator Corporation for 600,000 shares of unissued capital stock of Permeator Corporation.

Permeator Corporation was organized by National Petroleum Corporation Limited under the laws of the State of Delaware and as of the 29th day of January, 1962, when National assigned its exclusive licenses, Permeator Corporation was a wholly owned subsidiary of National Petroleum Corporation Limited. In this connection photo copies of two agreements dated as of the 29th day of January, 1962, evidencing the above assignment are on file with the Exchange.

National Petroleum Corporation Limited was only a part owner of the exclusive license to Permeator patents in Canada, one-half of these rights being owned by General Hydrocarbons Limited. In order that all of the Canadian rights vest in National Petroleum Corporation Limited so that it could transfer world rights to Permeator Corporation, it is obliged to pay General Hydrocarbons Limited the sum of \$50,000.00, payment to be made on or before September 1, 1962.

For accounting purposes, National's cost of exclusive world license to the Permeator patents is \$50,000.00. Upon the issue of 600,000 shares of Permeator Corporation unissued common stock to National, in consideration of the assignment of these rights, National proposes to value the Permeator Corporation stock at \$60,000.00 (being it's par value) and thereby reflect a gain of \$10,000.00 on the transaction. A photo copy of the agreement setting forth the above arrangement has been filed with the Exchange.

2. The acquisition by National Petroleum Corporation Limited of 50,000 shares of unissued capital stock of Permeator Corporation at \$5.00 per share (U.S. funds) for \$250,000.00 cash (U.S. funds). In this connection a certified copy of a Resolution of the Board of Directors of the Company authorizing the above purchase is on file with the Exchange.
3. The following transaction, while it does not affect National Petroleum Corporation Limited, as an entity, does affect the shareholders of this Corporation and is accordingly set forth for your information. Permeator Corporation proposes, subject to registration with the Securities & Exchange Commission of the United States, to offer to the shareholders of National Petroleum Corporation Limited rights to subscribe to 300,000 shares of its unissued capital stock at a subscription price of \$5.00 per share (U.S. funds) on the basis of one (1) share of Permeator stock for each fifteen (15) shares of National Petroleum capital stock held as of the effective date of the Registration Statement filed with the Securities & Exchange Commission. Following issuance of the above stock, the total Permeator Corporation stock issued and outstanding will be as follows:

Stock issued for properties (Patent license)

To National Petroleum Corporation Limited	600,000 shares
---	----------------

Stock issued for cash

To National Petroleum Corporation Limited	50,000 shares
Northland Oils Limited	20,000 shares
Home Oil Company Limited	25,000 shares
General Hydrocarbons Limited	30,000 shares
Stave Lake Cedar Company Ltd.	27,500 shares
Consolidated Timber Limited	27,500 shares
The C.W. Murchison Jr. Family Trusts	27,500 shares
The John D. Murchison Family Trusts	27,500 shares
Stockholders of National Petroleum Corporation Limited	300,000 shares
	1,135,000 shares

Permeator Corporation has reserved an additional 62,500 shares for issue @ \$5.50 (U.S. funds) upon the exercise of subscription warrants for a period of 30 months subsequent to the effective date of the Registration Statement filed with the Securities and Exchange Commission, in the amount of 50,000 shares to the Underwriters and 12,500 shares to a finder.

The authorized capital of Permeator Corporation is 1,500,000 shares having a par value of 10¢ each.

A copy of the Registration Statement filed with the Securities & Exchange Commission by Permeator Corporation has been filed with the Exchange.



# FINANCIAL STATEMENTS

NATIONAL PETROLEUM CORPORATION LIMITED

## BALANCE SHEET

as at February 28, 1962

### ASSETS

#### Current Assets:

Cash  
Note Receivable  
Marketable Securities - at cost  
(Market Quotation \$453,578.13)  
Accounts Receivable  
Inventories - Note I  
Prepaid Expenses

\$ 2,396.83  
36,000.00  
324,136.57  
83,841.61  
376,791.23  
22,638.97

#### Total Current Assets

\$ 845,805.21

Cash Surrender Value - Life Insurance Policies  
Investment in Subsidiary Companies - Note II  
Shares  
Advances

\$ 600.00  
467,724.99

#### Investments - at cost

Northland Oils Limited - Shares  
Shares in other Companies

\$ 372,863.89  
22,362.32

#### Royalty Investments

Less: Reserve for Depletion

\$ 87,166.74  
36,633.15

#### Deferred Development - at cost -

Note III  
Less: Reserve for Development

\$ 709,717.31  
22,066.22

#### Fixed Assets - at cost

Property, Plant and Equipment -  
Note IV  
Less: Reserves for Deprecia-  
tion and Depletion

\$1,366,078.55  
1,004,528.42

#### Other Assets

Sundry Deposits  
Patent Rights

\$ 9,137.50  
17,987.14

27,124.64

\$2,865,015.86

### LIABILITIES & SHAREHOLDERS' EQUITY

#### Current Liabilities:

Due to Bank - Current Account Overdraft  
Note Payable  
Accounts Payable  
Accrued Liabilities

\$ 28,530.21  
15,000.00

#### Total Current Liabilities

\$ 99,535.93

#### Shareholders' Equity

Share Capital  
Authorized  
5,000,000 shares-Par Value 25¢ each \$1,250,000.00  
Issued as fully paid & non-assessable  
1,232,200 shares for properties and  
services  
2,266,672 shares for cash  
4,498,872 shares @ 25¢ each  
501,128 shares unissued  
5,000,000

\$1,124,718.00

#### Contributed Surplus

Premium on conversion and sale  
of shares

\$2,158,351.56

#### Operating Deficit

(517,589.63)

\$2,765,479.93

#### Approved:

*John G. Gaudin* Director

Director

\$2,865,015.86



# NATIONAL PETROLEUM CORPORATION LIMITED

## NOTES TO FINANCIAL STATEMENTS

as at February 28, 1962

NOTE I:	Inventories comprise:	
	Crude Oil on hand	\$ 9,288.59
	Oil Field Supplies	<u>367,502.64</u>
		<u>\$376,791.23</u>

Inventory of crude oil is valued at the currently quoted field price; oil field supplies are valued at cost, both on a basis consistent with the policy followed in prior years.

NOTE II: Investment in subsidiary companies is as follows:

	Shares	Advances
National Oil Field Service Ltd. -	\$ 100.00	\$195,501.10
Wholly owned		
Channel Oils Ltd. - 50% owned	500.00	272,223.89
	<u>\$ 600.00</u>	<u>\$467,724.99</u>

Profits or losses of the subsidiaries have not been taken up in the accounts of National Petroleum Corporation Limited.

NOTE III: This expenditure represents the Company's share of the cost of drilling sixteen wells in the Spring Coulee - Del Bonita area. The Company's program for amortization of development and leasehold costs is in accordance with generally accepted accounting principles and is being consistently applied. In the case of producing wells the development and leasehold costs are charged to operations on a unit of production basis. The cost of unproductive development and leasehold costs, in connection therewith, are written off in the year of abandonment.

NOTE IV: The following is a summary of Property, Plant and Equipment:

	Cost	Reserves
Leases		
Turner Valley area	\$ 152,535.50	\$ 143,297.75
Spring Coulee - Del Bonita area	137,584.48	4,406.02
	<u>\$ 290,119.98</u>	<u>\$ 147,703.77</u>
Plant Equipment		
Well Equipment, including		
Field Camp Facilities	\$ 466,183.24	\$ 276,056.92
Drilling Equipment	561,024.32	543,843.60
Automotive Equipment	39,711.69	29,913.03
Office Equipment	9,039.32	7,011.10
	<u>\$1,075,958.57</u>	<u>\$ 856,824.65</u>
Total Property, Plant and Equipment	<u>\$1,366,078.55</u>	<u>\$1,004,528.42</u>



NATIONAL PETROLEUM CORPORATION LIMITED

STATEMENT OF INCOME (LOSS) AND EARNED SURPLUS (DEFICIT)  
For the three month period ended February 28, 1962

<b>Income:</b>		
Sale of Crude Oil and Gas (Less Royalties)		\$ 10,474.18
Well Servicing, Supervision and Equipment Rentals		<u>35,243.35</u>
		\$ 45,717.53
<b>Operating Expenses</b>		
Well Operating Expenses	\$ 9,771.07	
Servicing, Supervision and Equipment Expenses	27,493.96	
General and Administrative Expenses	40,355.29	
Provision for Depreciation	11,710.81	
Taxes (Other than Taxes on Income)	389.90	
Rents (including Surface Rights)	<u>8,059.01</u>	
		<u>97,780.04</u>
Net Loss before undernoted Charges		\$ 52,062.51
Amortization of Development and Lease Costs	\$ 1,287.72	
Share Issue and Transfer Costs	<u>7,984.07</u>	
		<u>9,271.79</u>
Net Loss for the period		\$ 61,334.30
Deficit at beginning of Period		456,255.33
Deficit at February 28, 1962		<u>\$ 517,589.63</u>

NATIONAL PETROLEUM CORPORATION LIMITED

STATEMENT OF SOURCE & APPLICATION OF FUNDS

for the three month period ended February 28, 1962

Funds Provided:

By Reduction in Working Capital	\$ 43,660.00
By collection of advances	1,205.60
Receipts from Subsidiary Company	5,698.19
By recovery of Patent Costs	170.52
By Sale of fixed asset	85.00
	<u>50,819.31</u>

Funds Applied:

To Net Loss for the period	\$61,334.30
Less: Funds requiring no cash outlay:	
Depreciation Provision	\$ 11,710.81
Amortization of Development	<u>1,287.72</u>
	12,998.53
Less: Gain on Sale of Fixed Asset	<u>35.02</u> 12,963.51
	48,370.79
To Development Costs	136.50
To Fixed Asset Acquisitions	<u>2,312.02</u>
	<u>50,819.31</u>



10. Brief statement of company's chief development work during past year.	The Company with Northland Oils Limited jointly drilled one wild-cat well in the Spring Coulee, Alberta area which has been temporarily abandoned.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	General Hydrocarbons Limited, Calgary, Alberta re. purchase of 50% interest in exclusive license to Canadian Permeator patents for \$50,000.00. For further details see Schedule "A".
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Persons having a greater than 5% interest in General Hydrocarbons Limited: Consolidated Timber Company Limited, Vancouver, B.C. 324,583 shares G. Encil, 6% King Edward Hotel, Banff, Alberta 621,334 " M. S. Gerber, 80 Park Avenue, New York, N.Y. 134,717 " Ores & Alloys Inc. 111 Broadway, New York, N.Y. 150,000 " Steve Lake Cedar Limited, Vancouver, B.C. 324,583 "
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	No pooling or escrow agreements
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	S. Myron ZANDMER, 111 Glen Avenue, Banff, Alberta 673,040 shares, beneficial owner General Hydrocarbons Ltd. 159 Bay St., Toronto 130,000 shares, beneficial owner H. Hentz & Co., 72 Wall St. New York 5, N.Y. 158,100 shares, not beneficial owner Roycan Nominees Limited, 6 Lothbury, London, England 100,000 shares, not beneficial owner Irving Weiss & Co., 40 Exchange Place, New York 97,350 shares, not beneficial owner
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present management is in such position, subject to acquisition of proxies from the largest registered shareholders above shown, and dependent upon representation at any meeting of shareholders.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	47,125 shares, Trans-Mountain Oil Pipelines Ltd. Cost: \$ 324,136.57 Market Value: 724,546.87 1,670,570 shares, Northland Oils Ltd. Cost: 372,863.89 Market Value: 263,996.90
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	No other material facts. No shares of the Company are in the course of primary distribution to the public.

**CERTIFICATE OF THE COMPANY**

DATED May 22, 1962

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"S.M. Zandmer"

"M.E. Mermelstein"

NATIONAL PETROLEUM CORPORATION LIMITED

CORPORATE  
SEAL

**CERTIFICATE OF UNDERWRITER OR OPTIONEE**

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)



# THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1142.  
FILED, JULY 16th. 1964.

## NATIONAL PETROLEUM CORPORATION LIMITED

Full corporate name of Company

Incorporated under the Laws of the Province of Alberta on December 1st, 1956.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous

Filing Statement No. 755.

## FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Proposed sale of certain unissued treasury shares and granting of an option on additional shares to the subscriber.  See Items 6, 7 and 8 hereof.
2. Head office address and any other office address.	209 - Eighth Avenue West, Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President & Managing Director: S. Myron Wandmer, Calgary, Alberta - R.P.E. Vice Pres. & Director: L.L.G. Bentley, Vancouver, B.C. Executive Vice Pres. & Director: M.E. Mermelstein, New York City - Legal Counsel Director: Gus D. Welch, Kansas City, Mo., - Stock Broker Director: Webster D. Corlett, Chicago, Ill., - Executive Vice-Pres. & Director: Herbert M. Wandmer, Calgary, Alberta - Executive Sec-Treas & Director: W. G. Nichols, Calgary, Alberta - Chartered Accountant Asst.-Sec: Arnold I. Burns, New York City - Lawyer
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized 5,000,000 shares Issued and Outstanding 4,498,872 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Not Applicable
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By agreement entered into on April 27, 1964 and formalized by agreement as of June 19, 1964 C. W. Murchison Jr. of Dallas, Texas, has agreed, subject to the approval of the Toronto and American Stock Exchanges, to firmly purchase 75,000 shares of the authorized but unissued 25¢ par value common shares of National Petroleum Corporation Limited at \$4.00 per share (U. S. funds), payable on the closing date on or before July 17, 1964 and, in consideration thereof, the Company granted C. W. Murchison Jr. an irrevocable option to purchase 425,000 additional authorized but unissued 25¢ par value common shares at \$4.00 per share (U. S. Funds), the said option to be exercised no later than one year from the closing date hereinbefore recited or within nine months from the drilling of three oil or gas wells, whichever shall be the earlier. The purchaser has agreed that all shares purchased under this agreement will be purchased for investment purposes. Pursuant to his right to do so provided in said agreement of June 19, 1964, C. W. Murchison, Jr. has assigned his rights under said agreement to Murchison Brothers, a partnership, The John D. Murchison Family Trusts and The C. W. Murchison, Jr. Family Trusts in the proportions of 80% 10% and 10%, respectively.



7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	C. W. Murchison Jr., 1201 Main, Dallas, Texas The purchaser has the right to designate another purchaser who will be either Murchison Brothers or a Corporation or partnership in which he, and or, Murchison Brothers are the controlling persons. Also C. W. Murchison, Jr. may designate either or both The John D. Murchison Family Trusts and The C. W. Murchison, Jr. Family Trusts to be purchasers in whole or in part.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Funds realized will be used principally for drilling of oil and gas wells and for the acquisition of oil and gas interests and development thereof as well as for working capital which will include administrative expenses.
10. Brief statement of company's chief development work during past year.	Recompleted one oil well on a joint venture basis with others.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not Applicable.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not Applicable.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	150,000 shares of the Company's stock are presently held in escrow by the Royal Bank of Canada, 2 King Street East, Toronto, Ontario, under agreements dated December 21, 1960; January 31, 1961 and May 15, 1961. Terms of release of the escrowed shares is as follows: Upon the (a) written consent of each of the American Stock Exchange and the Toronto Stock Exchange to the release of the shares and (b) an opinion in form satisfactory to the Bank of the United States Counsel, approved by the bank stating either that the shares represented by the certificate so requested to be released has been effectively and validly registered in accordance with the provisions of the United States Securities Act, 1933 or that registration in respect of such shares is not required under the said act.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	George Encil, 208 Ballantyne Ave. N., Montreal West, Quebec 50,000 shares General Hydrocarbons Ltd., Leeson-Lineham Bldg., Calgary, Alta. 50,000 shares Consolidated Timber Co. Ltd., and Stave Lake Cedar Limited, 999 West Pender St., } 50,000 shares Vancouver, B.C. } jointly
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	S. Myron Sandmer, 111 Glen Ave., Banff, Alberta. 748,040 shares (beneficial owner) General Hydrocarbons Ltd., 501 Leeson-Lineham Bldg., Calgary, Alta. 105,300 shares (beneficial owner) H. Hentz & Co., 72 Wall St., New York City 122,460 shares (beneficial owner unknown) Newburger Loeb & Co., 5 Hanover Square, New York City 145,100 shares (beneficial owner unknown) Irving Weiss & Co., 66 Beaver St., New York City - 125,900 shares (beneficial owner unknown)



# FINANCIAL STATEMENTS

Consolidated Balance Sheet as at April 30, 1964  
(Canadian Funds)

5  
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 7  
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 9  
 10

**Current Assets:**

Cash on hand and in bank	
Canadian and U.S. Treasury bills	
at cost	
accounts receivable	
Inventory of crude oil - at market value	\$ 11,881.85
Inventory of supplies - at values not in excess of cost	489,656.89
Inventory - work in progress	25,052.48
Prepaid expenses	
Total Current Assets	

## Investments and Advances - at cost:

Investment in affiliated companies - Note II  
Sundry Investments - Note III

## Property, Plant and Equipment - at Cost

Leases	290,119.98
Less: Allowance for depletion	147,845.38

Plant and equipment	1,177,296.29
Less: Allowance for depreciation	<u>956,513.04</u>

Development costs - productive and unproductive wells	859,853.30
Less: Allowance for depletion	24,463.23

## Other Assets:

Patents, patent applications, and franchises, less accumulated amortization of \$16,031.81 - Note V:

Deferred pre-operating expenses, less

accumulated amortization of  
\$14,026.23 - Note:

14,000 - 15,000

Refundable deposits

LIBRARY OF THE CONGRESS

Current liabilities:	
Accounts payable	\$ 44,798.56
Accrued liabilities	6,413.48
	<hr/>
Total current liabilities	51,212.04

### Minority Shareholders' Interest In Subsidiary

1,102,802.70

## Shareholders' Equity

527,591.22	Share capital	
22,341.58	authorized	
	5,000,000 shares - par	
	value 25¢	
<u>549,932.80</u>		\$1,250,000.00

# IT 2007 - CATTOLICO NESSUNO IN OTTANTACINQUE

156,956.61

Issued as fully paid and non-assessable

1,232,200	Shares for properties and services
<u>3,266,672</u>	Shares for cash
4,498,872	Shares for 25¢
501,123	Shares unissued
	\$1,124,718.00

## Plant and equipment

225,735.25

Paid-in surplus

Premium on conversion and

Development costs - productive and unproductive wells

3,159,551.55

Less: Allowance for depletion

Excess of book value of net assets of a subsidiary over

**Other Assets:**

Patents, patent applications, and franchises, less accumulated

amortization of \$16,031.81 - Note V:

64,055,59

Deferred pre-operating expenses, less

accumulated amortization of

14,000 - 15,000

Refundable deposits

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14, 704, 471.77



NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As At April 30, 1964

NOTE I: Principles of Consolidation:

The consolidated financial statements include the accounts of National Oil Field Service Ltd., (a wholly-owned subsidiary) and the consolidated accounts of Permeator Corporation (a 57.27% owned subsidiary) and its wholly-owned subsidiary

Inter-company accounts and transactions have been eliminated on consolidation.

Accounts of the United States subsidiaries have been converted to Canadian dollars as follows:

Current assets and liabilities - at exchange rate prevailing at April 30, 1964

Equipment, patents, and pre-operating costs, and the related depreciation or amortization - at exchange rate prevailing when acquired.

Revenue and expense items except depreciation and amortization as above - at the average rate of exchange throughout the year.

NOTE II: Investment in Affiliated Companies

	<u>Shares</u>	<u>Advances</u>	<u>Total</u>
Channel Oils Ltd.			
50% owned	\$ 500.00	\$275,207.81	\$275,707.81
Less: Allowance for loss:	-	250,435.73	250,435.73
	500.00	24,772.08	25,272.08
Northland Oils Limited			
36.25% owned	372,863.89	-	372,863.89
	\$ 373,363.89	\$ 24,772.08	\$398,135.97

NOTE III: Sundry Investments:

Unlisted securities	\$ 1.00
Royalty investments, at cost	\$ 87,191.74
Less: Accumulated allowance for	\$ 36,773.28
Depletion	50,418.46
Cash surrender value of life	
Insurance Policies	106,547.15
	\$ 156,966.61

NOTE IV: The company's income tax returns have been assessed for all years up to and including the year ended November 30, 1963. The company has no income tax liability as at this date.

NOTE V: Patents, Patent Applications, and Franchises:

The cost of patents, patent applications, and franchises is being amortized on a straight line basis over a period of 120 months commencing with the year 1962, with the exception of patent costs of a United States subsidiary which are considered to be immaterial.

NOTE VI: Deferred Pre-Operating Expenses:

Pre-operating expenses incurred by Permeator Corporation were deferred and are being amortized over a period of 60 months commencing in 1962.



NATIONAL PETROLEUM CORPORATION LIMITED AND  
SUBSIDIARY COMPANIES (NOTE I)

STATEMENT OF CONSOLIDATED OPERATIONS AND DEFICIT for

the five month period ended April 30, 1964

(Canadian Funds)

Income:

Sales and Services	\$ 103,523.39
Interest Income	32,855.12
	<hr/> 136,358.51

Expenses:

Cost of sales and services	\$ 57,311.17
Advertising, selling, and travel	24,220.85
General office and administration	22,500.95
Rents including lease rentals	25,072.94
Professional fees	5,712.76
Consultants' fees	19,903.26
Salaries	55,397.36
Share transfer expense	15,008.77
	<hr/> 225,128.06

Net Loss before undernoted charges	98,769.55
Provision for depreciation and amortization	25,004.81
	<hr/> 113,774.36

Minority shareholders' interest in loss of a subsidiary	<hr/> 22,227.14
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Net Loss for the Period:	90,527.22
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Deficit, December 1, 1963	<hr/> 90,527.22
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Deficit, April 30, 1964	<hr/> <hr/> \$1,029,301.81
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NATIONAL PETROLEUM CORPORATION LIMITED AND  
SUBSIDIARY COMPANIES (NOTE I)

STATEMENT OF SOURCE & APPLICATION OF FUNDS for

the five month period ended April 30, 1964

(Canadian Funds)

Funds Provided:

By Reduction in Working Capital	\$ 225,494.04
By Sale of Shares	2,966.56
By Foreign Exchange Gain Unrealized	11,429.27

Total Funds Provided:	<hr/> <hr/> \$ 239,889.87
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Funds Applied:

To Net Loss for the Period (including Minority Interest Portion thereof) \$113,774.36	
Less:	
Provision for Depreciation and Amortization	25,004.81
	98,769.55
To Advances to Channel Oils Ltd.	5,407.81
To Life Insurance Premiums Capitalized	2,529.24
To Fixed Asset Acquisition - Net	20,701.35
To Development Costs incurred	116,014.28
To Additional cost of Patents, Deposits and Organization Costs	6,467.64

Total Funds Applied:	<hr/> <hr/> \$ 239,889.87
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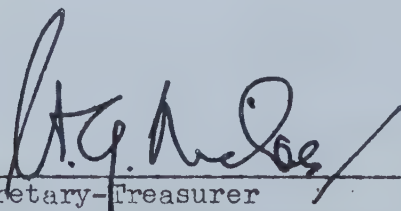


CERTIFICATE of Secretary-Treasurer with  
respect to Financial Statements as of  
April 30, 1964

The attached Financial Statements of National Petroleum Corporation Limited and Subsidiary Companies consisting of:

Consolidated Balance Sheet as at April 30, 1964  
Notes to Consolidated Financial Statements as  
at April 30, 1964  
Statement of Consolidated Operations and Deficit  
for the five month period ended April 30, 1964;  
and a  
Statement of Source and Application of Funds  
for the five month period ended April 30, 1964

have been prepared from the books of the Companies concerned and, in my opinion, present fairly the consolidated position of the Company and its subsidiaries as at April 30, 1964 and the results of operations for the five month period then ended, and are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

  
\_\_\_\_\_  
Secretary-Treasurer  
NATIONAL PETROLEUM CORPORATION LIMITED

Calgary, Alberta  
July 2, 1964.



16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present management is in such position, subject to acquisition of Promies from the largest registered shareholders above shown, and dependent upon representation at any meeting of shareholders.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Number Of Shares	Book Value	Market Value
	Northland Oils Ltd. 1,550,570	\$372,863.89	\$248,091.20
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None.		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	In the event that the option is exercised with respect to the 425,000 shares, referred to in Item 6, the Murchison interest will then purchase a substantial number of shares from a controlling shareholder of the Company. None of the Company's shares are in the course of primary distribution to the public.		

DATED July 2nd, 1964.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

NATIONAL PETROLEUM CORPORATION LIMITED

"H.M. Zandmer"

"W.G. Nichols"

CORPORATE  
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE JOHN D. MURCHISON FAMILY TRUSTS

By: C.W. Murchison "C.W. Murchison"  
Trustee

THE C. W. MURCHISON, JR. FAMILY TRUSTS

By: J.D. Murchison "J.D. Murchison"  
Trustee

C.W. Murchison, Jr.

MURCHISON BROTHERS

By: J.D. Murchison  
Partner

"C.W. Murchison Jr."

"J.D. Murchison"







# THE TORONTO STOCK EXCHANGE

8/2/68

FILING STATEMENT NO. 1596.  
FILED, FEBRUARY 15th, 1968.

## NATIONAL PETROLEUM CORPORATION LIMITED

Full corporate name of Company

Incorporated under the laws of the Province of Alberta on December 1st, 1936.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous

Filing Statement No. 755.

### FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Proposed sale of certain convertible Debentures with share purchase warrants attached.  See Items 6., 7. and 8. hereof.
2. Head office address and any other office address.	209 - 8th Avenue S.W., Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	PRESIDENT and MANAGING DIRECTOR; S. Myron Zandmer, Calgary, Alberta - R.P.E. VICE-PRESIDENT and DIRECTOR; Herbert M. Zandmer, Calgary, Alberta - Executive. VICE-PRESIDENT and DIRECTOR; M. E. Mermelstein, New York, New York - Legal Counsel. DIRECTOR; Gus D. Welch, Kansas City, Mo. - Stock Broker. SECRETARY-TREASURER and DIRECTOR; W. G. Nichols, Calgary, Alberta - Chartered Accountant. ASSISTANT SECRETARY; Arnold I. Burns, New York, New York - Lawyer.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 5,000,000 Shares. Issued and Outstanding: 4,573,872 Shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	N O N E
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>The Company has received written subscriptions from the persons named in Item 7 hereof whereby the subscribers agree to purchase from the Company two (2) year, five (5%) per cent, Convertible Debentures in registered form in the aggregate principal amount of \$505,875.00 (U.S.) convertible into 213,000 shares of 25¢ par value capital stock of National Petroleum Corporation Limited at \$2.375 (U.S.) per share within two (2) years but only after the expiration of six (6) months from the date of issue, at the option of the Company or the registered holder.</p> <p>The Debenture-holders will receive non-transferable share purchase warrants entitling them to purchase 213,000 shares of 25¢ par value capital stock of National Petroleum Corporation Limited at \$2.625 (U.S.) per share. The share purchase warrant may be exercised only after conversion of the Debenture and within two (2) years from the date of issue thereof.</p> <p>In the event that the subscribers have exercised their share purchase warrants, they shall have a non-transferable right to purchase for a period of not less than one (1) year but, in any event, not exceeding a date three (3) years from the date of issue of the Debentures to buy 25,000 shares of Permeator Corporation common stock held by National Petroleum Corporation Limited on a pro rata basis at \$20.00 (U.S.) per share. The aforementioned shares of Permeator Corporation are legended and may only be purchased for investment.</p> <p>Upon notification by the Company of the acceptance of this Filing Statement by the Toronto Stock Exchange, the subscribers have agreed to deposit funds aggregating \$505,875.00 with The Royal Bank of Canada, 8th Avenue &amp; 4th Street S.W., Calgary, Alberta.</p> <p>The subscribers have confirmed that all shares acquired under this arrangement will be purchased for investment and not with any present intention of resale or distribution and if any sale of said shares are to be made in the Provinces of Ontario and/or Alberta same shall be sold only upon and subject to due compliance with The Securities Acts of said Provinces; that no other person has any beneficial interest in said shares or Debentures; that no agreement or understanding exists with regard to the disposition, transfer or assignment of said shares. Counsel to the Company has advised that in their opinion the sale to the subscribers falls within the provisions of Section 19 (3) of The Securities Act, 1966.</p>

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Convertible Debentures Subscribed For		Share Purchase - Warrants Granted																					
	Names & Addresses of Subscribers	Principal Amount (U.S. Funds)	No. of Shares of the Company into which Debenture is Convertible	No. of Shares of the Company No. of Shares of Permeator Corporation																				
	<u>E. Milo Greene et al</u> (Private Group)																							
	Lars Onsager, New Haven, Conn.	\$ 28,500.00	12,000	12,000																				
	Hans Cohn, Los Angeles, Calif.	28,500.00	12,000	12,000																				
	Poufco, Ltd., Zurich, Switzerland.	14,250.00	6,000	6,000																				
	E. Milo Greene, New York, N.Y.	7,600.00	3,200	3,200																				
	Interhousing Corp., Freeport, L.I., N.Y.	11,875.00	5,000	5,000																				
		<u>\$ 90,725.00</u>																						
	<u>George Encil et al</u> (Private Group)																							
	General Hydro- carbons Limited, Calgary, Alta.	\$ 66,025.00	27,800	27,800																				
	George Encil, Montreal, P.Q.	99,750.00	42,000	42,000																				
		<u>\$165,775.00</u>																						
	<u>W.S. Borchardt et al</u> (Private Group)																							
	W.S. Borchardt Amsterdam, Holland.	\$ 24,937.50	10,500	10,500																				
	Francois Grunwald, Frankfurt am Main, Germany.	37,406.25	15,750	15,750																				
	Gilbert de Goldschmidt Paris, France.	37,406.25	15,750	15,750																				
		<u>\$ 99,750.00</u>																						
	S. Myron Zandmer, Banff, Alberta.	<u>\$149,625.00</u>	<u>63,000</u>	<u>63,000</u>																				
	TOTAL	<u>\$505,875.00</u>	<u>213,000</u>	<u>213,000</u>																				
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	N O T																							
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>Out of the first funds of \$505,875.00 (U.S.) approximately \$400,000.00 would be used to acquire and develop properties suitable for PERMEATOR Well Completions and the use of the newly developed chemical for treatment of such wells. Upon exercise of the Warrants, the balance of the funds would be used for development of additional properties and to the extent not needed, as working capital.</p> <p>The Directors, of course, reserve the right to re-allocate the use of funds as circumstances and prudent business judgement may then dictate, but in any event any re-allocation of funds other than as set out above would be subject to prior notice having been accepted for filing by The Toronto Stock Exchange.</p> <p>The following is an estimated budget of Administration Expenses for the year ending November 30, 1968:</p> <table><tr><td>Administrative &amp; office salaries</td><td>\$ 50,750.00</td></tr><tr><td>Rent</td><td>2,100.00</td></tr><tr><td>Professional Fees</td><td>6,400.00</td></tr><tr><td>Share Transfer Costs</td><td>18,000.00</td></tr><tr><td>Sundry taxes &amp; insurance</td><td>2,350.00</td></tr><tr><td>Telephone &amp; telegrams</td><td>1,200.00</td></tr><tr><td>Meetings &amp; shareholder mailing</td><td>3,000.00</td></tr><tr><td>Stationery, supplies &amp; office expense</td><td>4,700.00</td></tr><tr><td>Selling &amp; travel expenses</td><td>7,000.00</td></tr><tr><td>( Exclusive of the accounts of Permeator Corp )</td><td><u>\$ 95,500.00</u></td></tr></table>				Administrative & office salaries	\$ 50,750.00	Rent	2,100.00	Professional Fees	6,400.00	Share Transfer Costs	18,000.00	Sundry taxes & insurance	2,350.00	Telephone & telegrams	1,200.00	Meetings & shareholder mailing	3,000.00	Stationery, supplies & office expense	4,700.00	Selling & travel expenses	7,000.00	( Exclusive of the accounts of Permeator Corp )	<u>\$ 95,500.00</u>
Administrative & office salaries	\$ 50,750.00																							
Rent	2,100.00																							
Professional Fees	6,400.00																							
Share Transfer Costs	18,000.00																							
Sundry taxes & insurance	2,350.00																							
Telephone & telegrams	1,200.00																							
Meetings & shareholder mailing	3,000.00																							
Stationery, supplies & office expense	4,700.00																							
Selling & travel expenses	7,000.00																							
( Exclusive of the accounts of Permeator Corp )	<u>\$ 95,500.00</u>																							
10. Brief statement of company's chief development work during past year.	<p>During the past year the Company, through its wholly-owned subsidiary, National Oil Field Service Ltd., participated in drilling one producing gas well. Also, through its majority owned subsidiary, Permeator Corporation, concluded a marketing and licensing agreement with DOWELL, Division of the Dow Chemical Company, under which DOWELL is a sales and service outlet for distribution and oilfield installation of PERMEATORS in the United States; so that now, with redesigned models of PERMEATORS, for the first time a well worked-out program of sales, service and installation adapted to fit all existing oilfield service companies' equipment has been inaugurated and as a result, with the new designed PERMEATORS, similar contracts with other service companies are presently being negotiated.</p> <p>After a great deal of preliminary study the plans to take a strong position in the development of the "Cold Lake" region of Alberta, Canada, with a large independent oil and gas company was determined to be inadvisable for development in the Winter of 1967-1968 and was postponed for further study looking toward the possible development in 1968-1969.</p> <p>Patents have been filed with respect to a new chemical named PERMAFLOW for treatment of oil and gas wells. Considerable development work and testing was undertaken by Permeator Corporation with a view toward making PERMAFLOW available to the Company for its use in Canada in addition to commercial exploitation by Permeator Corporation.</p>																							



NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES (NOTE 1.)

## ASSETS

Current Assets:

Total Current Assets \$ 1,658,069.73

Property, Plant and Equipment - at Cost (Note 4.)

Other Assets - at Cost

\$3,565,408.74

Current Liability:

Accounts payable

Minority Shareholders' Interest in Subsidiary	833,948.77
---	------------

Shareholders' Equity  
Share Capital  
Authorized  
5,000,000 Shares of a  
par value of 25¢ each

Issued	\$ 1,143,468.00
4,573,872 Shares	

Contributed surplus	2,448,566.35
Excess of book value of a subsidiary over cost of investment	1,312,205.40
Deficit	(2,259,921.35)
Unrealized gain on conversion of foreign exchange (Note 1.)	20,013.52

2,664,331.92

Approved on behalf of the Board of Directors:

Director

Director

\$3,565,408.74

NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES (NOTE 1.)

STATEMENT OF CONSOLIDATED OPERATIONS AND DEFICIT

FOR the eleven-month period ended October 31, 1967.

(Canadian Funds)

Income

Sales and Service	\$ 82,711.45
Interest and miscellaneous	53,208.00
	<u>135,919.45</u>

Expenses

Cost of Sales and Services	\$ 73,207.46	
Selling and Travel	57,213.09	
General and Administration	53,183.08	
Rentals	23,399.21	
Professional Fees	22,265.28	
Consultants' Fees	9,142.65	
Salaries	131,599.29	
Share Transfer Fees and Meetings	36,121.35	406,131.41
		<u>\$ 270,211.96</u>
Depreciation and Amortization		84,147.15
		354,359.11
Minority Shareholders' interest in loss of a subsidiary		98,686.76
Net loss for the period		255,672.35
Deficit beginning of year		2,004,249.00
		<u>\$ 2,259,921.35</u>

NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES (NOTE 1.)

STATEMENT OF SOURCE & APPLICATION OF FUNDS

For the eleven-month period ended October 31, 1967.

(Canadian Funds)

Funds Provided

By reduction in Working Capital	\$ 245,122.32
By proceeds from sale of shares by Subsidiary Company	81,140.15
	<u>\$ 326,262.47</u>

Funds Applied

To Net Loss for the period (including Minority interest portion thereof)	\$ 354,359.11	
Less: Provision for Depreciation and Amortization	<u>84,147.15</u>	\$ 270,211.96
To Advances to affiliated Companies	6,524.85	
To Increase in Value of Life Insurance Policies	7,801.21	
To Additions to Property & Equipment - Net	35,893.27	
To Additional Patents acquisition	5,831.18	
		<u>\$ 326,262.47</u>



NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As At October 31, 1967.

1. Principles of Consolidation

These consolidated financial statements include the accounts of National Oil Field Service Ltd. (wholly-owned) as at October 31, 1967 and the consolidated accounts of Permeator Corporation (a 56.17% owned subsidiary) and its wholly-owned subsidiary Permeator Corporation (Canada) Ltd. as at the same date.

Inter-company accounts and transactions have been eliminated on consolidation.

Accounts of the subsidiary companies recorded in United States dollars have been converted to Canadian dollars as follows:

Current assets and liabilities - at the exchange rate prevailing at October 31, 1967.

Other assets and accumulated depreciation and amortization - at the exchange rate prevailing when acquired.

Income and expense items - at the average rate of exchange for the year.

The resulting unrealized gain on conversion of foreign exchange has been reflected as an element of shareholders' equity.

2. Inventories

Crude Oil - at market value	\$ 6,973.48
Oil field supplies - at specific cost	429,966.70
	<u>\$ 436,940.18</u>

The inventory of oil field supplies is composed of PERMEATORS prepared pipe and well drilling and completion supplies.

3. Investment in Affiliated Companies

Channel Oils Ltd. (50% owned)	
Shares, at cost	\$ 500.00
Advances	283,957.77
	<u>284,457.77</u>
Less allowance for loss	259,689.34
	<u>24,768.43</u>
Northland Oils Limited (36.25% owned)	
Shares, at cost	\$ 372,863.89
Advances	33,923.53
	<u>406,787.42</u>
Less allowance for loss	106,915.00
	<u>299,872.42</u>
	<u>\$ 324,640.85</u>

4. Property, Plant and Equipment

The companies amortize the cost of petroleum property and development (excluding production equipment) on the "full cost" basis. Under this method a unit of production cost is determined by prorating all such costs incurred against total recoverable reserves of crude oil discovered as estimated by company engineers.

The companies compute depreciation of production and other equipment on the straight line method based on the estimated useful lives.

5. Patents, Patent Applications and Franchises.

Patents and patent applications are being amortized ratably over a ten year period.

PERMEATOR CORPORATION  
AND SUBSIDIARY COMPANY (NOTE 1.)

Consolidated Balance Sheet as at October 31, 1967.

(Canadian Funds)

A S S E T S

Current Assets:	
Fixed Term Deposits	\$ 994,743.34
Accrued Interest	11,015.08
Accounts Receivable	7,371.87
Inventories (Note 2.)	245,446.07
Advance on future delivery of inventory	140,490.28

Total Current Assets \$ 1,399,066.64

Property, Plant and Equipment - at Cost (Note 3.)	
Petroleum property and development,	
less accumulated amortization	\$ 259,987.99
of \$53,932.66	
Equipment,	
less accumulated depreciation	57,672.60
of \$69,614.24	317,660.59

Other Assets - at Cost	
Sundry deposits	\$ 560.65
Cash surrender value of	
life insurance	136,382.21
Patents, patent applications	
and franchises,	
less accumulated amortization	
of \$46,124.50	83,882.30

220,825.16

\$ 1,937,552.39

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:	
Accounts Payable	\$ 32,980.62
Due to Parent and Affiliated Company	1,987.45
Total Current Liabilities	\$ 34,968.07

Shareholders' Equity	
Share Capital	
Authorized	
1,500,000 Shares of a	
par value of 10¢ (U.S.) each	
Issued	\$ 124,770.98
1,157,251 Shares	
Contributed surplus	2,785,913.66
Deficit	(1,008,100.32)
	1,902,584.32

\$ 1,937,552.39



STATEMENT OF CONSOLIDATED OPERATIONS AND DEFICIT

FOR the ten-month period ended October 31, 1967.

(Canadian Funds)

Income

Sales and Service	\$ 16,945.80
Interest and miscellaneous	<u>47,217.44</u>
	64,163.24

Expenses

Cost of Sales and Services	\$ 19,420.98	
Selling and Travel	50,344.50	
General Administration	41,211.01	
Rentals	21,474.21	
Professional Fees	13,929.28	
Consultants' Fees	9,061.97	
Salaries	80,337.72	
Share Transfer Fees and Meetings	<u>7,181.64</u>	<u>242,961.31</u>
		\$ 178,798.07
Depreciation and Amortization		<u>46,347.57</u>
Net Loss for the Period		225,145.64
Deficit beginning of year		<u>782,954.68</u>
Deficit, October 31, 1967.		<u><u>\$ 1,008,100.32</u></u>

PERMEATOR CORPORATION  
AND SUBSIDIARY COMPANY (NOTE 1.)

STATEMENT OF SOURCE & APPLICATION OF FUNDS

FOR the ten-month period ended October 31, 1967.

(Canadian Funds)

Funds Provided

By reduction in Working Capital	\$ 129,554.10
By proceeds from sale of shares	<u>81,140.15</u>
Total Funds Provided	<u><u>\$ 210,694.25</u></u>

Funds Applied

To Net Loss for the period	\$ 225,145.64	
Less: Provision for Depreciation and Amortization	<u>46,347.57</u>	\$ 178,798.07
To Increase in Value of Life Insurance Policies		7,801.21
To Additions to Property & Equipment - Net		18,263.79
To Additional Patents acquisition		<u>5,831.18</u>
Total Funds Applied		<u><u>\$ 210,694.25</u></u>

PERMEATOR CORPORATION  
AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at October 31, 1967.

1. Principles of Consolidation

These consolidated financial statements include the accounts of Permeator Corporation (Canada) Ltd. (wholly-owned) as at October 31, 1967.

Inter-company accounts and transactions have been eliminated on consolidation.

The accounts of the Company which are recorded in United States dollars have been converted to Canadian dollars as follows:

Current assets and liabilities - at the exchange rate prevailing at October 31, 1967.

Other assets and accumulated depreciation and amortization - at the exchange rate prevailing when acquired.

Income and expense items - at the average rate of exchange for the year.

The resulting unrealized gain on conversion of foreign exchange which was immaterial was taken into income.

2. Inventories

Oil Field Supplies - at specific cost \$ 245,446.07

The inventory of oil field supplies is composed of PERMEATORS, prepared pipe and well completion supplies.

3. Property, Plant and Equipment

The companies amortize the cost of petroleum property and development (excluding production equipment) on the "full cost" basis. Under this method a unit of production cost is determined by prorating all such costs incurred against total recoverable reserves of crude oil discovered as estimated by company engineers.

The companies compute depreciation of production and other equipment on the straight line method based on the estimated useful lives.

4. Patents, Patent Applications and Franchises

Patents and patent applications are being amortized ratably over a ten-year period.

5. Stock Options and Warrants

In connection with the public offering in 1962 of 300,000 shares of common stock, the Company sold 52,500 common stock purchase warrants at \$0.01 each covering a like number of common shares. These warrants were exercisable at \$5.50 per share during 1964, during 1965 at \$5.75 per share and thereafter at \$6.05 per share until expiry on January 15, 1968. The foregoing warrants were exercised as follows:

1964	-	500 Shares @ \$5.50 per share
1966	-	4,501 Shares @ \$6.05 per share
1967	-	2,150 Shares @ \$6.05 per share
1968	-	38,349 Shares @ \$6.05 per share
		<u>45,500</u>

7,000 warrants were not exercised and expired.

Under a restricted stock option plan, adopted by the Company in 1962, options were granted to officers and

5. Stock Options and Warrants (Continued)

employees to purchase 50,000 shares of the Company's common stock at prices ranging from \$4.75 to \$9.00 per share, such price being 95% (110% with respect to controlling persons) of the fair market value of such shares on the date options were granted.

Options exercised under this plan were as follows:

1964	-	2,100 Shares @ \$4.75 per share
1967	-	11,000 Shares @ \$4.75 per share
1967	-	<u>2,000 Shares @ \$5.00 per share</u>
		<u>15,100</u>

As at December 31, 1967, there were 11,500 shares reserved to cover outstanding stock options, the remainder of the options having been cancelled and/or expired.

All prices relative to the above are in U.S. funds.



NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANY (NOTE 1.)

Consolidated Balance Sheet as at October 31, 1967.

(Canadian Funds)

ASSETS

Current Assets:

Cash	\$ 1,482.97
Fixed Term Deposits	29,252.75
Accrued Interest	62.14
Accounts Receivable	36,711.12
Inventories (Note 2.)	191,494.11
Due from Affiliated Company	4,409.01

Total Current Assets \$ 263,412.10

Investment in affiliated companies (Note 3.)

Shares and advances, less allowance for loss 647,297.12

Property, Plant and Equipment - at Cost (Note 4.)

Petroleum property and development, less accumulated amortization of \$375,089.12	\$ 818,900.59
Buildings and equipment, less accumulated depreciation of \$859,043.93	171,414.85

990,315.44

Other Assets - at Cost

Sundry Deposits	\$ 9,163.50
Royalties, less accumulated amortization of \$39,936.28	45,813.46
Patents, less accumulated amortization of \$11,843.30	8,226.08
Organization Costs	693.93

63,896.97

\$1,964,921.63

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$ 34,147.43
Due to Affiliated Company	1,680.62

Total Current Liabilities \$ 35,828.05

Shareholders' Equity

Share Capital  
Authorized  
5,000,000 Shares of a  
par value of 25¢ each

Issued  
4,573,872 Shares \$ 1,143,468.00

Contributed surplus 2,448,566.35  
Deficit (1,683,069.47)

Unrealized gain on  
conversion of foreign  
exchange (Note 1.) 20,128.70

1,929,093.58

Approved on behalf of the Board of Directors:

 Director

 Director

\$ 1,964,921.63

NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANY (NOTE 1.)

STATEMENT OF CONSOLIDATED OPERATIONS AND DEFICIT

FOR the eleven-month period ended October 31, 1967.

(Canadian Funds)

Income

Sales and Service	\$ 65,765.65
Interest and Miscellaneous	5,990.56
	<u>71,756.21</u>

Expenses

Cost of Sales and Service	\$ 53,786.48
Selling and Travel	6,868.59
General and Administration	11,972.07
Rentals	1,925.00
Professional Fees	8,416.68
Salaries	51,261.57
Share Transfer Fees and Meetings	28,939.71
	<u>163,170.10</u>
	\$ 91,413.89
Depreciation and Amortization	<u>37,799.58</u>
Net loss for the period	129,213.47
Deficit beginning of year	<u>1,553,856.00</u>
Deficit, October 31, 1967.	<u><u>\$ 1,683,069.47</u></u>

NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANY (NOTE 1.)

STATEMENT OF SOURCE & APPLICATION OF FUNDS

FOR the eleven-month period ended October 31, 1967.

(Canadian Funds)

Funds Provided

By reduction in Working Capital	\$ 123,686.45
Gain on foreign exchange	289.00
	<u>123,975.45</u>
Total Funds Provided	<u><u>\$ 123,975.45</u></u>

Funds Applied

To Net Loss for the period	\$ 129,213.47
Less: Provision for Depreciation and Amortization	<u>37,799.58</u>
	\$ 91,413.89
To Advances to affiliated Companies	6,524.85
To Additions to Property & Equipment - Net	<u>26,036.71</u>
Total Funds Applied	<u><u>\$ 123,975.45</u></u>



NATIONAL PETROLEUM CORPORATION LIMITED  
AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As At October 31, 1967.

1. Principles of Consolidation

These consolidated financial statements include the accounts of National Oil Field Service Ltd. (wholly-owned) as at October 31, 1967.

Inter-company accounts and transactions have been eliminated on consolidation.

Accounts of the subsidiary company recorded in United States dollars have been converted to Canadian dollars as follows:

Current assets and liabilities - at the exchange rate prevailing at October 31, 1967.

Other assets and accumulated depreciation and amortization - at the exchange rate prevailing when acquired.

Income and expense items - at the average rate of exchange for the year.

The resulting unrealized gain on conversion of foreign exchange has been reflected as an element of shareholders' equity.

2. Inventories

Crude Oil - at market value	\$ 6,973.48
Oil field supplies - at specific cost	184,520.63
	<hr/>
	\$ 191,494.11
	<hr/>

The inventory of oil field supplies is composed of PERMEATORS, prepared pipe and well drilling and completion supplies.

3. Investment in Affiliated Companies

Channel Oils Ltd. (50% owned)	
Shares, at cost	\$ 500.00
Advances	283,957.77
	<hr/>
	284,457.77
Less allowance for loss	259,689.34
	<hr/>
	24,768.43
	<hr/>
Northland Oils Limited (36.25% owned)	
Shares, at cost	\$ 372,863.89
Advances	33,923.53
	<hr/>
	406,787.42
Less allowance for loss	106,915.00
	<hr/>
	299,872.42
	<hr/>
Permeator Corporation (56.17% owned)	
Shares, at cost	\$ 322,656.27
	<hr/>
	\$ 647,297.12
	<hr/>

4. Property, Plant and Equipment

The companies amortize the cost of petroleum property and development (excluding production equipment) on the "full cost" basis. Under this method a unit of production cost is determined by prorating all such costs incurred against total recoverable reserves of crude oil discovered as estimated by company engineers.

The companies compute depreciation of production and other equipment on the straight line method based on the estimated useful lives.

5. Patents

Patents are being amortized ratably over a ten year period.

# NATIONAL PETROLEUM CORPORATION LIMITED

209 EIGHTH AVE. S.W.  
CALGARY, ALBERTA

February 2nd, 1968.

The Toronto Stock Exchange,  
234 Bay Street,  
Toronto 1, Ontario.

Dear Sirs:

Re: Filing Statement dated December 21, 1967,  
respecting National Petroleum Corporation  
Limited.

With respect to the Consolidated Balance Sheet and related financial statements of National Petroleum Corporation Limited and its wholly-owned subsidiary, National Oil Field Service Ltd., for the period ended October 31, 1967, and submitted to you in connection with the subject Filing Statement, we hereby certify that there have been no changes in the financial status and/or in the affairs of the Companies concerned since that date with the exception of changes occurring in the ordinary course of business.

Yours very truly,

NATIONAL PETROLEUM CORPORATION LIMITED,



W. G. Nichols,  
Secretary-Treasurer.

WGN/rf



11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	NOT APPLICABLE																
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	NOT APPLICABLE																
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	N O N E																
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	NOT APPLICABLE																
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>S. Myron Zandmer, 501 Leeson-Linham Building, 209 - 8th Avenue S.W., Calgary, Alberta - 772,000 Shares (beneficial owner).</p> <p>Pender Investments Ltd., 15th Floor, One Pentall Centre, 505 Burrard Street, Vancouver 1, B.C. - 171,498 Shares (beneficial owner).</p> <p>Reis, Voisin, Cannon Inc., 111 Broadway, New York City, New York, 10006. U.S.A. - 160,335 Shares (beneficial owner unknown).</p> <p>Wolston &amp; Co., Inc., 74 Wall Street, New York, New York, 10005 - 108,926 Shares (beneficial owner unknown).</p> <p>Corle &amp; Company, P.O. Box 2558, Terminal Annex, Los Angeles 54, California - 106,900 Shares (beneficial owner unknown).</p>																
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present management is in such position, subject to acquisition of proxies from the largest registered shareholders above shown, and dependent upon representation at any meeting of shareholders.																
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><thead><tr><th></th><th>Number of Shares</th><th>Book Value</th><th>Market Value December 31, 1967.</th></tr></thead><tbody><tr><td>Northland Oils Limited</td><td>1,670,570</td><td>\$265,948.89</td><td>\$ 133,645.60</td></tr><tr><td>Channel Oils Ltd.</td><td>500</td><td>500.00</td><td>Unknown</td></tr><tr><td>Permeator Corporation</td><td>650,000</td><td>322,656.27</td><td>10,562,500.00</td></tr></tbody></table> <p>The authorized share capital of Permeator Corporation is 1,500,000 shares, of which 1,157,251 shares were issued and outstanding as at October 31, 1967.</p> <p>During the eleven-month period ended October 31, 1967, Permeator Corporation sold, through the exercise of stock options and share purchase warrants, 15,150 shares of its common stock realizing \$75,257.50 (U.S.) funds, Canadian funds equivalent being \$81,140.15. On January 15, 1968, Permeator Corporation sold an additional 38,349 shares, also through the exercise of share purchase warrants, realizing \$232,011.45 (U.S.) funds, Canadian funds equivalent being \$249,412.31.</p> <p>As of January 15, 1968, the authorized share capital of Permeator Corporation remains at 1,500,000 shares, of which 1,195,600 shares are issued and outstanding.</p>		Number of Shares	Book Value	Market Value December 31, 1967.	Northland Oils Limited	1,670,570	\$265,948.89	\$ 133,645.60	Channel Oils Ltd.	500	500.00	Unknown	Permeator Corporation	650,000	322,656.27	10,562,500.00
	Number of Shares	Book Value	Market Value December 31, 1967.														
Northland Oils Limited	1,670,570	\$265,948.89	\$ 133,645.60														
Channel Oils Ltd.	500	500.00	Unknown														
Permeator Corporation	650,000	322,656.27	10,562,500.00														
18. Brief statement of any lawsuits pending or in process against company or its properties.	N O N E																
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	N O N E																
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>Direct remuneration paid by the Company and its subsidiary companies during the eleven-month period ended October 31, 1967, to Officers and Directors, was as follows:</p> <table><thead><tr><th>Name of Individual or Identity of Group</th><th>Capacities in which Remuneration was Received</th><th>Aggregate Remuneration (Canadian Funds)</th></tr></thead><tbody><tr><td>S. Myron Zandmer</td><td>President of Permeator Corporation and the Company</td><td>\$ 37,937.50</td></tr><tr><td>All Officers and Directors as a Group</td><td>As Officers</td><td>\$ 77,777.37 (a)</td></tr></tbody></table> <p>(a) Exclusive of legal fees paid to the law firm Mermelstein, Burns &amp; Lesser, of which M.E. Mermelstein, a Director and Vice-President, and Arnold I. Burns, Assistant Secretary, are partners.</p> <p>There are no other material facts. None of the Company's shares are in the course of primary distribution to the public.</p>	Name of Individual or Identity of Group	Capacities in which Remuneration was Received	Aggregate Remuneration (Canadian Funds)	S. Myron Zandmer	President of Permeator Corporation and the Company	\$ 37,937.50	All Officers and Directors as a Group	As Officers	\$ 77,777.37 (a)							
Name of Individual or Identity of Group	Capacities in which Remuneration was Received	Aggregate Remuneration (Canadian Funds)															
S. Myron Zandmer	President of Permeator Corporation and the Company	\$ 37,937.50															
All Officers and Directors as a Group	As Officers	\$ 77,777.37 (a)															

# CERTIFICATE OF THE COMPANY

DATED December 21st, 1967.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"H.M. Zandmer"

"W.G. Nichols"

CORPORATE  
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE Secretary-Treasurer.

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)





# THE TORONTO STOCK EXCHANGE

14/4/69

FILING STATEMENT NO. 1684.

FILED, APRIL 22nd, 1969.

*file*  
NATIONAL PETROLEUM CORPORATION LIMITED

Full corporate name of Company

Incorporated under the laws of the Province of Alberta on December 1st, 1936.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

## FILING STATEMENT

Reference is made to previous  
Filing Statement No. 1596.

(To be filed with respect to any material change in a company's affairs, including among other things,  
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Change in effective control of the Company.  (See attachment I on page 3.
2. Head office address and any other office address.	209 - 8th Avenue S.W., Calgary 2, Alberta, Canada.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>PRESIDENT AND MANAGING DIRECTOR: S. Myron Zandmer, Calgary, Alberta - R.P.E.</p> <p>VICE-PRESIDENT AND DIRECTOR: Herbert M. Zandmer, Calgary, Alberta - Executive</p> <p>VICE-PRESIDENT AND DIRECTOR: M. E. Mermelstein, New York, N.Y. - Legal Counsel</p> <p>DIRECTOR: Dale J. Bertling, Chesterfield, Missouri - Engineer</p> <p>DIRECTOR: J.R. Latimer, Jr., Dallas, Texas - Engineer</p> <p>DIRECTOR: Richard L. Geiger, New York, N.Y. - Financier</p> <p>DIRECTOR: Herman Fialkov, New York, N.Y. - Financier</p> <p>SECRETARY-TREASURER: W. G. Nichols, Calgary, Alberta - Chartered Accountant</p> <p>ASSISTANT SECRETARY: Arnold I. Burns, New York, N.Y. - Lawyer</p> <p>On March 5, 1969 the Directors of the Company adopted a Resolution increasing the Board of Directors from five members to seven.</p> <p>(See Attachment No. I on page 3.</p>
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized: 5,000,000 shares</p> <p>Issued and Outstanding: 4,999,872 shares</p>
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	NONE
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>There are no treasury shares now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.</p> <p>There are presently outstanding non-transferable rights to purchase 12,441 shares of Permeator Corporation stock held by National Petroleum Corporation Limited. These rights were granted in connection with the Company's sale of Convertible Debentures on February 1, 1968 and may be exercised until February 1, 1971 at \$20.00 (U.S.) per share.</p>

AR83

<p>7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.</p>	<p>Non-transferable rights to purchase common shares of Permeator Corporation (See item 6 hereof) are held by the following persons in the amounts put forth opposite their names:</p> <table> <tr> <td>S. Myron Zandmer, Calgary, Alberta, Canada.</td><td>7,394 shares</td></tr> <tr> <td>General Hydrocarbons Limited, Calgary, Alberta, Canada.</td><td>3,263 shares</td></tr> <tr> <td>Hans Cohn, Los Angeles, Cal., U.S.A.</td><td>1,408 shares</td></tr> <tr> <td>E. Milo Greene, New York, N.Y., U.S.A.</td><td><u>376 shares</u></td></tr> <tr> <td></td><td>12,441</td></tr> <tr> <td></td><td><u><u>      </u></u></td></tr> </table>	S. Myron Zandmer, Calgary, Alberta, Canada.	7,394 shares	General Hydrocarbons Limited, Calgary, Alberta, Canada.	3,263 shares	Hans Cohn, Los Angeles, Cal., U.S.A.	1,408 shares	E. Milo Greene, New York, N.Y., U.S.A.	<u>376 shares</u>		12,441		<u><u>      </u></u>
S. Myron Zandmer, Calgary, Alberta, Canada.	7,394 shares												
General Hydrocarbons Limited, Calgary, Alberta, Canada.	3,263 shares												
Hans Cohn, Los Angeles, Cal., U.S.A.	1,408 shares												
E. Milo Greene, New York, N.Y., U.S.A.	<u>376 shares</u>												
	12,441												
	<u><u>      </u></u>												
<p>8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.</p>	<p>NONE</p>												
<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The continued acquisition and development of oil and gas properties suitable for PERMEATOR well completions and the use of the newly developed chemical PERMAFLOW for treatment of such wells.</p>												
<p>10. Brief statement of company's chief development work during past year.</p>	<p>During the past year the Company acquired, through its subsidiary companies, certain oil and gas properties in West Virginia, U.S.A. Two wells are presently being drilled on these properties.</p>												
<p>11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.</p>	<p>NOT APPLICABLE</p>												
<p>12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.</p>	<p>NOT APPLICABLE</p>												
<p>13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.</p>	<p>NONE</p>												
<p>14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)</p>	<p>NOT APPLICABLE</p>												



ATTACHMENT I

Pursuant to an agreement dated January 21, 1969, BRF Resources, Inc. ("BRF"), a Delaware Corporation purchased 1,000,000 shares of the common stock of National Petroleum Corporation Limited ("National") from S. Myron Zandmer, ("Zandmer"), President and Managing Director of National, for a total consideration of \$4,000,000.00 (U.S.). The purchase was closed on March 20, 1969 by:

- (a) payment of \$2,934,515.00 (U.S.) in cash.
- (b) delivery of a Promissory Note in the principal amount of \$65,500.00 (U.S.) payable within 6 months and bearing interest at the rate of 7% per annum.
- (c) delivery of 28,571 shares of the common stock of Permeator Corporation, a subsidiary of National, at a valuation of \$35.00 (U.S.) per share.

Zandmer was the owner of 898,000 shares of National and was empowered as agent of others to sell and deliver on their behalf an additional 102,000 shares of the common stock of the Company.

BRF has confirmed that the shares of National are being acquired for investment and not with a present view to public distribution or resale and they will not be disposed of except in accordance with the United States, Canadian, Provincial or State securities laws and regulations, whichever may be applicable.

Counsel to the Company has advised that in their opinion this sale falls within the provisions of Section 19 (3) of the Securities Act, 1966.

BRF now owns 20% of the issued and outstanding common shares of National. Messrs. W. G. Nichols and Gus D. Welch have resigned from the Board of Directors of National and four new Directors have been appointed. The principal occupations and activities of these four new Directors are as follows:

Dale J. Bertling, Chesterfield, Missouri, U.S.A.

President and Director of BRF Resources Inc. from January, 1969 to the present time. From October 1968 to January, 1969, his principal activity was in investments. From August 1967 to October 1968, he was President, PDL Division, Siboney Corporation, St. Louis, Mo. From June 1964 to August 1967, he was President of Compumatix Inc. (Compumatix Inc. has merged with Siboney Corporation). From May 1962 to June 1964, he was Vice-President of Cepco, Inc., a wholly owned subsidiary of Compumatix, Inc. From April 1956 to May, 1962, he was Senior Engineer Advanced Design with McDonnell Aircraft Corporation, St. Louis, Missouri.

J. R. Latimer, Jr. Dallas, Texas, U.S.A.

From January 1965 to the present time, he was an independent Consultant and oil property manager. From 1957 to January 1965, he was Chief Reservoir Engineer with Hunt Oil Company in Dallas, Texas.

Richard L. Geiger, 1 Rockefeller Plaza, New York, N.Y.

From August 1968 to the present time general partner in Geiger & Fialkov, venture capital investments. From January 1967 to the present time President of Standard Resources Corporation. From January 1964 to August 1968, engaged as a Financial Consultant.

Herman Fialkov, 1 Rockefeller Plaza, New York, N.Y.

From August 1968 to the present time general partner in Geiger & Fialkov, venture capital investments. From 1960 to August 1968, Senior Vice-President of Corporate Development. From 1954 to 1960 President of Transistor Corporation (subsequently merged into Corporate Development).

BRF Resources, Inc. is a Delaware Corporation with an authorized capital of 5,000,000 shares having a par value of \$1.00 each of which 576,320 shares are presently issued and outstanding. Persons presently owning 5% or more of the outstanding capital stock of BRF Resources, Inc. and their shareholdings therein are as follows:

<u>Name and Address</u>	<u>No. of Shares Held</u>
Daniel W. Barrick, Gary, Indiana, U.S.A.	53,400
General Hydrocarbons Limited, Calgary, Alberta, Canada.	50,000
Corathell Investment Management Co., Las Vegas, Nevada, U.S.A.	46,870
John A. Sharp, University City, Mo., U.S.A.	37,258
Geiger & Fialkov, New York, N.Y., U.S.A.	35,000
Value Line Special Situations Fund, Inc., New York, N.Y., U.S.A.	29,000

# FINANCIAL STATEMENTS

Thorne,  
Gunn,  
Helliwell  
& Christenson

NATIONAL PETROLEUM CORPORATION LIMITED  
(Incorporated under the laws of Alberta)

BALANCE SHEET - NOVEMBER 30, 1968  
(with comparative figures at November 30, 1967)

ASSETS		LIABILITIES	
	1968	1967	1967
CURRENT ASSETS			
Cash, time deposits and accrued interest thereon	\$ 908,710	\$ 15,794	\$ 32,313
Short-term investment, at cost (quoted market value, \$ 291,732)	262,197		6,935
Accounts receivable	31,382	22,493	
Due from affiliated companies	14,013	5,914	
Due from subsidiary companies	2,798		
Inventories (note 1)	127,223	147,139	
Prepaid expense	1,810	1,314	
	<u>1,346,133</u>	<u>192,654</u>	<u>39,248</u>
			<u>34,747</u>
INVESTMENT IN SUBSIDIARY COMPANIES (note 2)			
Shares	267,262	322,756	1,245,718
Advances	<u>222,238</u>	<u>202,929</u>	<u>3,446,363</u>
	<u>489,500</u>	<u>525,685</u>	<u>(1,537,107)</u>
			<u>1,909,042</u>
INVESTMENT IN AFFILIATED COMPANIES (note 3)			
Shares and advances, less allowance for loss of \$ 261,403 (1967 - \$ 366,604)	<u>463,988</u>	<u>326,240</u>	<u>(1,682,992)</u>
PROPERTY, PLANT AND EQUIPMENT, at cost (note 4)			
Petroleum property and development, less accumulated amortization of \$ 376,566 (1967 - \$ 360,025)	674,770	688,097	
Equipment, less accumulated depreciation of \$ 862,166 (1967 - \$ 850,643)	<u>131,517</u>	<u>138,342</u>	
	<u>806,287</u>	<u>826,439</u>	
OTHER ASSETS			
Sundry deposits and advances	34,547	20,844	
Royalties, at cost less accumulated amortization of \$ 42,192 (1967 - \$ 41,133) (note 5)	46,200	44,617	
Patents, at cost less accumulated amortization of \$ 12,749 (1967 - \$ 10,926) (note 6)	<u>5,467</u>	<u>7,310</u>	
	<u>86,314</u>	<u>72,771</u>	
	<u>\$ 3,194,222</u>	<u>\$ 1,943,789</u>	<u>\$ 1,943,789</u>

Approved by the Board:

*St. Mary's*  
Director  
*Harold W. Faudner*  
Director



Thorne,  
Gunn,  
Helliwell  
& Christenson

NATIONAL PETROLEUM CORPORATION LIMITED

STATEMENT OF OPERATIONS AND DEFICIT

YEAR ENDED NOVEMBER 30, 1968

(with comparative figures for 1967)

	<u>1968</u>	<u>1967</u>
Revenue		
Sale of oil and gas	\$ 48,158	\$ 46,935
Well supervision and equipment rentals	<u>19,691</u>	<u>19,078</u>
	<u>67,849</u>	<u>66,013</u>
Expense		
Well operating costs	56,720	51,791
Well supervision and equipment rentals	17,259	13,666
Legal and audit	5,276	7,537
Management and office salaries	55,188	48,187
Office and general	12,140	11,534
Rent	2,100	2,100
Share transfer fees and annual meeting	35,183	32,757
Telephone and telegraph	1,948	1,252
Travel	9,051	5,536
Bad debts	3,854	
Inventory adjustment	<u>5,183</u>	
	<u>203,902</u>	<u>174,360</u>
Loss before the following	<u>136,053</u>	<u>108,347</u>
Other income		
Interest	16,725	6,664
Miscellaneous	<u>4,344</u>	<u>2,504</u>
	<u>21,069</u>	<u>9,168</u>
Loss before depreciation and amortization, and other income	<u>114,984</u>	<u>99,179</u>
Depreciation and amortization		
Property, plant and equipment	31,697	29,019
Other assets	<u>2,882</u>	<u>3,020</u>
	<u>34,579</u>	<u>32,039</u>
	<u>149,563</u>	<u>131,218</u>
Other income		
Gain on sale of petroleum property	26,962	
Gain on sale of investment in Permeator Corporation (note 7)	<u>168,414</u>	<u>113</u>
	<u>195,376</u>	<u>113</u>
(INCOME) LOSS FOR THE YEAR	( 45,813)	131,105
Deficit at beginning of year	1,682,992	1,553,856
Provision for loss on advances to a subsidiary and an affiliated company	6,621	18,056
Unrealized loss (gain) on foreign exchange in subsidiary company	222	( 20,025)
Reversal of provision for loss on investment in Northland Oils Limited	<u>( 106,915)</u>	
DEFICIT AT END OF YEAR	<u>\$ 1,537,107</u>	<u>\$ 1,682,992</u>

STATEMENT OF CONTRIBUTED SURPLUS

YEAR ENDED NOVEMBER 30, 1968

(with comparative figures for 1967)

	<u>1968</u>	<u>1967</u>
BALANCE AT BEGINNING OF YEAR	\$ 2,448,566	\$ 2,448,566
Premium on issue of 409,000 shares	<u>997,797</u>	
BALANCE AT END OF YEAR	<u>\$ 3,446,363</u>	<u>\$ 2,448,566</u>

NATIONAL PETROLEUM CORPORATION LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED NOVEMBER 30, 1968  
(with comparative figures for 1967)

	<u>1968</u>	<u>1967</u>
<b>SOURCE OF FUNDS</b>		
Issuance of shares	\$ 1,100,047	
Sale of petroleum property	26,962	\$ 1,075
Sale of investment in Permeator Corporation	224,481	
Payment received on non-current advances		1,160
Decrease in working capital		<u>158,451</u>
	<u>\$ 1,351,490</u>	<u>\$ 160,686</u>
<b>APPLICATION OF FUNDS</b>		
Operations		
Loss before depreciation and amortization, and other income	\$ 114,984	\$ 99,179
Additions to property, plant and equipment	14,839	24,276
Advances to subsidiary company	24,439	
Advances to affiliated companies	32,547	35,743
Sundry deposits and advances	13,703	
Addition to royalty costs		1,488
Increase in working capital	<u>1,150,978</u>	
	<u>\$ 1,351,490</u>	<u>\$ 160,686</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 1968

1. INVENTORIES

	<u>1968</u>	<u>1967</u>
Crude oil, at market value	\$ 4,687	\$ 6,047
Oil field supplies, at average cost	<u>122,536</u>	<u>141,092</u>
	<u>\$ 127,223</u>	<u>\$ 147,139</u>

It is a generally accepted accounting principle that inventories be valued at the lower of cost and net realizable value. The majority of the oil field supplies were on hand at the beginning of the year and it is not possible to determine the net realizable value thereof. In the opinion of management, the inventory will be sold, or used in drilling operations, at no loss to the company.

2. INVESTMENT IN SUBSIDIARY COMPANIES

	<u>Shares at cost</u>	<u>Advances</u>
National Oil Field Service Ltd. - wholly owned	\$ 100	\$ 394,404
Less allowance for loss		<u>172,166</u>
	100	222,238
Permeator Corporation (53.42% owned)	<u>267,162</u>	
	<u>\$ 267,262</u>	<u>\$ 222,238</u>

No provision has been made in these accounts for this company's portion of the aggregate net losses incurred by Permeator Corporation and its subsidiary. Separate financial statements have been prepared consolidating the affairs of the subsidiary companies with those of the company.



NATIONAL PETROLEUM CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 1968

3. INVESTMENT IN AFFILIATED COMPANIES

	<u>1968</u>	<u>1967</u>
Channel Qils Ltd. (50% owned)		
Shares, at cost	\$ 500	\$ 500
Advances	<u>298,663</u>	<u>284,257</u>
	299,163	284,757
Less allowance for loss	<u>261,403</u>	<u>259,689</u>
	<u>37,760</u>	<u>25,068</u>
Northland Oils Limited (36.25% owned)		
Shares, at cost (quoted market value 1968, \$ 1,386,573)	372,864	372,864
Advances	<u>53,364</u>	<u>35,223</u>
	426,228	408,087
Less allowance for loss		<u>106,915</u>
	<u>426,228</u>	<u>301,172</u>
	<u>\$ 463,988</u>	<u>\$ 326,240</u>

In view of the recovery of the quoted market value of the investment in Northland Oils Limited to an amount in excess of the cost thereof, the allowance for loss provided in 1966 has been reversed.

4. PROPERTY, PLANT AND EQUIPMENT

The company amortizes the cost of petroleum property and development (excluding production equipment) on the "full cost" basis. Under this method a unit of production cost is determined by prorating all such costs incurred against total recoverable reserves of crude oil discovered, as estimated by company engineers.

The company depreciates equipment on the straight line method over its estimated useful life.

5. ROYALTIES

Royalties represent the cost of interests in proceeds of production from oil and gas leases. Amortization of these costs is provided annually on the basis of 25% of income received from the properties.

6. PATENTS

Patents are being amortized ratably over a ten year period.

7. CAPITAL STOCK

The company issued convertible debentures for an aggregate consideration of \$ 505,875 (U.S.) all of which were converted during the year giving rise to the issue of 213,000 shares. An additional 196,000 shares were issued on the exercise of warrants attaching to the debentures resulting in receipts of \$ 1,100,047 applicable to the debentures and shares. The remaining warrants for an additional 17,000 shares were exercised subsequent to the year end at a price of \$ 2.625 (U.S.) per share.

Debenture holders also received a non-transferrable right to purchase on a pro rata basis at \$ 20.00 (U.S.) per share, 25,000 common shares of Permeator Corporation stock held by National Petroleum. Rights with respect to 10,564 Permeator Corporation shares were exercised during the year and rights with respect to a further 1,995 shares were exercised subsequent to the year end. The remaining rights expire on February 1, 1971.



Thorne,  
Gunn,  
Helliwell  
& Christenson

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of  
National Petroleum Corporation Limited

We have examined the balance sheet of National Petroleum Corporation Limited as at November 30, 1968 and the statements of operations and deficit, contributed surplus and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Subject to the fairness of the carrying value of the inventory as detailed in note 1 to the financial statements, in our opinion these financial statements present fairly the financial position of the company as at November 30, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CALGARY, Alberta  
February 14, 1969

*Thorne, Gunn, Helliwell & Christenson*  
Chartered Accountants

NATIONAL PETROLEUM CORPORATION LIMITED

209 EIGHTH AVE. S.W.  
CALGARY, ALBERTA

April 3rd, 1969.

Toronto Stock Exchange,  
234 Bay Street,  
TORONTO 1, Ontario.

Dear Sirs:

Re: Filing Statement Dated March 28, 1969

With respect to the Financial Statements of National Petroleum Corporation Limited for the year ended November 30th, 1968 which have been submitted to you in connection with the Company's Filing Statement dated March 28th, 1969, I, William G. Nichols, Secretary-Treasurer of National Petroleum Corporation Limited, hereby certify that there have been no material changes in the financial status and/or the affairs of the Company since November 30th, 1968 with the exception of changes occurring in the ordinary course of business.

Yours very truly,

NATIONAL PETROLEUM CORPORATION LIMITED

*W. G. Nichols*

W. G. Nichols  
Secretary-Treasurer

WGN/rv



15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	BRF Resources, Inc. Clayton, Mo., U.S.A.  General Hydrocarbons Limited, Calgary, Alberta, Canada.  H. Hentz & Co., New York, N.Y., U.S.A.  Galley & Co., Boston, Mass., U.S.A.  Merrill, Lynch, Pierce, Fenner & Smith, Inc. Toronto, Ontario, Canada.  (1) Beneficially owned. (2) Beneficial ownership unknown.	1,000,000 shares (1)  155,600 shares (1)  138,641 shares (2)  104,706 shares (2)  93,419 shares (2)																				
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present management is in such position, subject to acquisition of proxies from the largest registered shareholders above shown, and dependent upon representation at any meeting of shareholders.																					
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><thead><tr><th></th><th>Number of Shares</th><th>Book Value</th><th>Market Value March 21, 1969</th></tr></thead><tbody><tr><td>Northland Oils Limited</td><td>1,670,570</td><td>\$372,864.00</td><td>\$1,503,513.00</td></tr><tr><td>Channel Oils Ltd.</td><td>500</td><td>500.00</td><td>Unknown</td></tr><tr><td>Permeator Corporation</td><td>637,441</td><td>267,162.00</td><td>23,266,597.00</td></tr><tr><td>National Oil Field Service Ltd.</td><td>100</td><td>100.00</td><td>Unknown</td></tr></tbody></table>		Number of Shares	Book Value	Market Value March 21, 1969	Northland Oils Limited	1,670,570	\$372,864.00	\$1,503,513.00	Channel Oils Ltd.	500	500.00	Unknown	Permeator Corporation	637,441	267,162.00	23,266,597.00	National Oil Field Service Ltd.	100	100.00	Unknown	
	Number of Shares	Book Value	Market Value March 21, 1969																			
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Permeator Corporation	637,441	267,162.00	23,266,597.00																			
National Oil Field Service Ltd.	100	100.00	Unknown																			
18. Brief statement of any lawsuits pending or in process against company or its properties.	NONE																					
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	On February 28, 1969, the Company entered into employment contracts with S. Myron Zandmer, Herbert M. Zandmer and Milton E. Mermelstein. The term of each contract is for a period of not less than five years with provision for earlier termination under certain conditions in the case of S. Myron Zandmer and Herbert M. Zandmer.																					
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. None of the Company's shares are in the course of primary distribution to the public.																					

# CERTIFICATE OF THE COMPANY

DATED March 28th, 1969

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"H.M. Zandmer"	Per: <u>[Signature]</u>	NATIONAL PETROLEUM CORPORATION LIMITED CORPORATE SEAL
"S.M. Zandmer"	<u>[Signature]</u>	

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)



